### UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

## MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109<sup>th</sup> Congress <sup>1</sup>

[Date approved: October 11, 2006]<sup>2</sup>

**Bill No. and sponsor:** S. 3736 (Mr. Max Baucus of Montana).

**Proponent name, location:** Simms Fishing Products Corp., Bozeman, MT.

Other bills on product (109th Congress only): S. 3735.

**Nature of bill:** Temporary duty suspension through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Lug-bottom boots of vulcanized rubber, for use in manufacturing fishing waders (provided for in subheading 6401.92.90).

**Check one**: \_\_\_ Same as that in bill as introduced.

X Different from that in bill as introduced (see Technical comments section).

#### Product information, including uses/applications and source(s) of imports:<sup>3</sup>

According to the article description, the subject product is lug-bottom boots of vulcanized rubber to be used in the manufacture of fishing waders. HTS subheading 6401.92.90 covers waterproof boots ranging in height from over-the-ankle to knee-high, but not including hip boots or chest-high waders. Nothing in the proposed article description would distinguish "fishing waders" from other high boots used in other recreational or occupational endeavors, such as commercial fishing, farming, construction, utility repair, or industrial cleaning. Similarly, no distinguishing feature of the boot that might indicate its intended attachment to fishing waders is provided. Most imports entered under this residual or "basket" HTS subheading come from China.

The distinction between this bill and the similar bill, S. 3735, is only in the construction of the sole of the covered boot bottom. The lug bottoms are preferred for general use and durability, while the rubberized felt soles are preferred when walking over slippery surfaces.

#### **Estimated effect on customs revenue:**

<sup>1</sup> Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: Janis Summers (202-205-2605).

<sup>&</sup>lt;sup>2</sup> Access to an electronic copy of this memorandum is available at <a href="http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm">http://usitc.gov/tata/hts/other/rel\_doc/bill\_reports/index.htm</a>.

HTS subheading: <u>6401.92.90</u>								
$\searrow$	2006	2007	2008	2009	2010			
Col. 1-General rate of duty	37.5%	37.5%	37.5%	37.5%	37.5%			
Estimated value <i>dutiable</i> imports	\$200,000	\$180,000	\$180,000	\$220,000	\$220,000			
Customs revenue loss	\$75,000	\$67,500	\$67,500	\$82,500	\$82,500			

Source of estimated dutiable import data: Industry estimates.

#### Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
			(Yes/No)	
Simms Fishing Products Corp. (Proponent) Robert Gibson, 406-585-3557	09/21/2006	No	No	No
American Rubber & Supply Co. President, Fax: 818-782-3290	08/18/2006	No	No	No
LaCrosse Footwear, Inc. President, Fax: 503-766-1015	08/18/2006	No	No	No
U.S. Rubber Supply Co. President, Fax: 718-782-8788	08/18/2006	No	No	No

#### Technical comments:4

Customs officials suggest that the only administrative enforcement mechanism available to limit the coverage of the proposed heading to boots for fishing waders would be an actual use provision, with final liquidation of duty suspended pending receipt of certification from final end-users that they were using the boots for recreational fishing and not some other use. Such users may be at least two levels of trade downstream from the importer of record, who is likely to be a customs broker entering the goods on behalf of the boot manufacturer for sale to retail outlets. It is suggested that the proponent consult with Customs as to whether there might be alternative article description that would better serve the purpose of this proposed legislation.

<sup>&</sup>lt;sup>4</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

#### 109TH CONGRESS 2D SESSION

# S. 3736

To suspend temporarily the duty on vulcanized rubber lug bottom boots for use in fishing waders.

### IN THE SENATE OF THE UNITED STATES

July 26, 2006

Mr. Baucus introduced the following bill; which was read twice and referred to the Committee on Finance

## A BILL

To suspend temporarily the duty on vulcanized rubber lug bottom boots for use in fishing waders.

1	Be it enacted by the Senate and House of Representa								
2	tives of the United States of America in Congress assembled,								
3	SECTION 1. LUG BOTTOM BOOTS FOR USE IN FISHING WAD-								
4	ERS.								
5	(a) In General.—Subchapter II of chapter 99 of								
6	the Harmonized Tariff Schedule of the United States is								
7	amended by inserting in numerical sequence the following								
8	new heading:								
	" 9902.64.01 Vulcanized rubber lug bottom boots for actual use in fishing waders (provided for in subheading 6401.92.90) Free No change No change On or before 12/31/2009 "								

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after

4 the date of the enactment of this Act.

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